



6/18/03

## MESSAGES FROM THE HOUSE

### **SB 270 (Johnson)**

General Government budget

- The Senate did not concur with the House changes to SB 270 [RC 237: 0 yes, 38 no].

### **SB 285 (Johnson)**

Career Development budget

- The Senate did not concur with the House changes to SB 285 [RC 238: 0 yes, 38 no].

### **SB 286 (Johnson)**

Consumer and Industry Services budget

- The Senate did not concur with the House changes to SB 286 [RC 239: 0 yes, 38 no].

## BUDGETS

### **HB 4391 (Johnson)**

Dept. of Education budget

Due to elimination of several federal grants, federal funds received by the Department are \$101 million less than in previous years. There are increases in the School Breakfast line as a result of increased costs.

- Committee 1 (S-1) was adopted [no RC].
- Jelinek 1A was withdrawn.
- HB 4391 was moved to 3<sup>rd</sup> Reading.
- HB 4391 passed [RC 262: 37 yes, 0 no]. Immediate Effect was not given to the bill.

### **HB 4401 (Johnson)**

School Aid budget

Maintains basic foundation allowance of \$6700 per pupil; maintains current year funding for school readiness, bilingual and at risk. Provides reduced funding for adult education at \$28.4 million; math and science centers at \$5 million; Michigan Virtual High School at \$1 million; gifted and talented at \$1 million; and interagency grants at \$1 million.

- Committee 1 (S-1) was adopted [no RC].
- Garcia 1A was adopted [no RC]. This creates early literacy intervention instructional technology fund and appropriates \$100.
- Garcia 1B was withdrawn.
- Garcia 1C was withdrawn.
- Cropsey 1D was adopted [no RC]. This would require sex education classes to teach that sex with someone under age 16 is a crime.
- Kuipers 1E was adopted [no RC]. This allows districts to apply for a waiver from some or all of the rules regarding special education funding and staff time for pilot projects.
- Kuipers 1F was adopted [no RC]. This adds urban high school academy to the definition of public school academy.
- BERNERO 1G was defeated [RC]. This puts class size grants back up to 100%.
- Garcia 1H was adopted [no RC]. This increases funds for advanced and accelerated (formerly gifted and talented) by \$600,000; adds \$300,000 to bilingual education; and increases Grand Valley grant for kids with motor skills impairment by \$100,000.
- Jelinek 1I was adopted [no RC]. This changes appointment of some family resource center curriculum blue ribbon study committee members to be appointed by the legislators on the committee and adds the state director of adult education.
- Kuipers 1J was adopted [no RC]. This restores language that penalizes districts when less than 75% of students attend on a day.
- Kuipers/SWITALSKI 1K was adopted [no RC]. This allows instead of require that teachers have 5 hours of online instruction with the Michigan virtual university as part of their required 51 hours.
- Jelinek 1L was adopted [no RC]. This extends to 2004 the work project for Medicaid related lawsuits.
- Kuipers/SWITALSKI 1M was adopted [no RC]. Technical amendment to resolve conflict with previously passed bill.
- HB 4401 was moved to 3<sup>rd</sup> Reading.
- EMERSON 1 was withdrawn.
- SWITALSKI 2 was defeated [RC 263: 16 yes, 22 no]. This deposits \$98 million into the School Aid Rainy Day Fund.
- Jelinek 3 was adopted [no RC]. The reinstates 3 additional categories for the use of at-risk funding.

- HB 4401 passed [RC 264: 38 yes, 0 no]. Immediate Effect was not given to the bill.

## FINAL PASSAGE

**SB 252 (BRATER)**

**SB 510 (LELAND)**

**SB 560 (LELAND)**

**SB 561 (LELAND)**

### ENVIRONMENTAL WASTE/POLLUTION DISCHARGE FEE INCREASES

Senate Bill 252 would: 1) Require wastewater discharge permit holders to pay an annual permit fee until October 1, 2007. 2) Establish fees for various categories of facilities, based in part on Environmental Protection Agency (EPA) designations, with separate levels for municipal facilities. 3) Permit a municipality to pass on a proportionate share of its permit fee to each user of the municipal facility.

The bill would set flat, annual fees for permitted dischargers. The fees would vary according to a facility's classification as major or minor, high- or low-flow, and whether the permit was an individual or general permit. The bill raises \$3.0 million dollars with an additional \$2.0 million in general fund. The Governor had asked for \$7.2 million with \$5.2 million in fees and the remainder in general funding.

Support: MI Chamber of Commerce, MI Manufacturers Association, Consumers Energy.

Oppose: Michigan Environmental Council.

- Committee 1 (S-7) was adopted [no RC].
- Patterson 1A was adopted [no RC]. Data collection for water quality monitoring.
- Birkholz 1B was adopted [no RC]. This adds an effective date of 10/1/03.
- Birkholz 1C was adopted [no RC].
- SB 252 was moved to 3<sup>rd</sup> Reading.
- SB 252 passed [RC 265: 34 yes, 4 no (GOP)].

Senate Bill 510 would increase the fees for storm water discharge permits for all types of facilities.

- Committee 1 (S-3) was adopted [no RC].
- McManus 1A (1 amend) was adopted [no RC]. This adds an effective date.
- SB 510 was moved to 3<sup>rd</sup> Reading.
- SB 510 passed [RC 252: 37 yes, 1 no (Sanborn)].

Senate Bill 560 would create an annual groundwater discharge permit fee for facilities that discharge waste water into the ground or groundwater. The fee is based on a combination of complexity factors - which means the number and type of pollutants discharged - and of flow factors - which refers to the volume of discharge.

- Committee 1 (S-2) was defeated [no RC].
- McManus 1A was withdrawn.
- McManus 2 (S-3) was adopted [no RC].
- SB 560 was moved to 3<sup>rd</sup> Reading.

- **McManus 1** was withdrawn.
- **SB 560** passed [RC 261: 37 yes, 1 no (Sanborn)].

Senate Bill 561 would require that owners and operators of landfills pay fees to support the solid waste inspection program. The time frame on the program would be increased from 2 years to five years. A sunset in the bill would end the program on Oct 1, 2007.

- **Committee 1 (S-2)** was defeated [no RC].
- **McManus 1A** was withdrawn.
- **McManus 2 (S-3)** was adopted [no RC].
- **Hardman 2A** was adopted [no RC].
- **McManus 2B** was adopted [no RC].
- **SB 561** was moved to 3<sup>rd</sup> Reading.
- **SB 561** passed [RC 254: 35 yes, 3 no (GOP)]

**SB 359 (JACOBS)**

**SB 391 (SCOTT)**

**SB 431 (BERNERO)**

**SB 537 (BRATER)**

**SB 567 (EMERSON)**

**SB 570 (EMERSON)**

**SB 571 (LELAND)**

**SB 576 (EMERSON)**

#### FEE INCREASES

Senate Bill 359 would increase the annual statement of resident agent and registered office fee for domestic, foreign, and professional limited liability companies from \$15 to \$25. This bill would place a sunset on the fee increase of September 30, 2007. After that date the fee would revert to \$15. These fees would generate approximately \$1.1 million, which is being use to replace General Fund / General Purpose funding for support of basic operations of the Department of Consumer and Industry Services as well as Bureau of Workers and Unemployment Compensation.

- **Committee 1 (S-1)** was adopted [no RC].
- **SB 359** was moved to 3<sup>rd</sup> Reading.
- **SB 359** passed [RC 248: 35 yes, 3 no (GOP)]

Senate Bill 391 would increase the registration and transfer fees for brokers, dealer, and agent and investment advisor. This bill would sunset the increase on September 30, 2007. After that date, the fees would revert to their current levels. This bill would generate approximately \$4.4 million in additional revenue; this revenue would replace General Fund/ General Purpose funding the support of basic operations of the Department of Consumer and Industry Service as well as the Bureau of Workers and Unemployment Compensation.

- **Committee 1 (S-1)** was adopted [no RC].
- **SB 391** was moved to 3<sup>rd</sup> Reading.
- **SB 391** passed [RC 249: 35 yes, 3 no (GOP)]

Senate Bill 431 would to increase application, license, and registration fees of various regulated occupations. The bill also would sunset the fee increases on September 30, 2007. All fees would revert to current levels on that date. The bill would generate approximately \$2.8 million in additional revenue.

- Committee 1 (S-1) was adopted [no RC].
- SB 431 was moved to 3<sup>rd</sup> Reading.
- SB 431 passed [RC 250: 36 yes, 2 no (GOP)]

Senate Bill 537 would increase state park fees \$2 for daily permits (from \$4 to \$6 for daily entrance) and \$4 for annual (annual permits would increase from \$20 to \$24). An additional fee is created for out-of-state residents who will pay \$29 for an annual permit and \$8 daily.

- Committee 1 (S-4) was adopted [no RC].
- McManus 1A (1 amend) was adopted [no RC]. This adds an effective date.
- Brater 1B was adopted [RC]. This would provide lower fess for senior citizens and those on food stamps.
- SB 537 was moved to 3<sup>rd</sup> Reading.
- SB 537 passed [RC 253: 37 yes, 1 no (Sanborn)].

Senate Bill 567 would postpone sunsets on land and water management fees for the Department of Environmental Quality (DEQ) from October 1, 2003 to October 1, 2008. This should raise an additional \$2+ million per year.

- Committee 1 (S-1) was adopted [no RC].
- SB 567 was moved to 3<sup>rd</sup> Reading.
- SB 567 passed [RC 255: 35 yes, 3 no (GOP)].

Senate Bill 570 would increase the annual report fee required of all domestic and foreign corporations registered in the State of Michigan from \$15.00 to \$25.00. The bill would generate approximately \$2.5 million in additional revenue.

- Committee 1 (S-2) was adopted [no RC].
- SB 570 was moved to 3<sup>rd</sup> Reading.
- SB 570 passed [RC 256: 38 yes, 0 no].

Senate Bill 571 would increase the annual report fee required of all domestic and foreign corporations registered in the State of Michigan from \$10.00 to \$20.00. The bill would generate approximately \$565,000 in additional revenue.

- Committee 1 (S-2) was adopted [no RC].
- SB 571 was moved to 3<sup>rd</sup> Reading.
- SB 571 passed [RC 257: 38 yes, 0 no].

Senate Bill 576 increases various fees charged of health facilities for licensure, applications, and construction permits. The bill also would permit the Department of Consumer and Industry Services to charge a new fee for the licensure of substance abuse programs.

- Committee 1 (S-1) was adopted [no RC].
- SB 576 was moved to 3<sup>rd</sup> Reading.
- SB 576 passed [RC 258: 31 yes, 1 no (Sanborn)].

**SB 370 (LELAND)**

This bill would provide for the withdrawal of \$10 million from the contingent fund for fiscal year 2003-04 and the deposit of these funds into general fund.

- SB 370 was moved to 3<sup>rd</sup> Reading. No amendments.
- SB 370 passed [RC 251: 38 yes, 0 no].

**SB 399 (EMERSON)**

**SB 539 (Gilbert)**

## TRANSPORTATION PACKAGE

This bills are part of a transportation revenue package that would raise \$152.65 million dollars in new revenue.

Senate Bill 399 would reduce the percentage of sales tax related to the sale of motor vehicles, fuel, and parts that is deposited into the Comprehensive Transportation fund from 27.9% to 24% for 2003-2004 and 2004-2005 and returns the rate to 27.9% in 2005-2006. In addition, it allows the transfer of the \$18 million appropriated in the Senate-passed version (SB 265) of the transportation budget.

- Committee 1 (S-3) was adopted [no RC].
- SB 399 was moved to 3<sup>rd</sup> Reading.
- EMERSON 1 was defeated [RC 246: 16 yes, 22 no]. This restores the bill back to its original form. It would restore \$18 million in mass transit funding.
- SB 399 passed [RC 247: 22 yes, 16 no].

Senate Bill 539 deletes language that discusses phasing out certain inter-departmental grants and inserts explicit language providing that funds for the necessary expenses incurred by Dept. of State be paid out of the Transportation Administration Collection Fund. The bill would increase state-restricted transportation revenue available to the Comprehensive Transportation Fund (CTF), the State Trunkline Fund (STF), county road commissions, and cities and villages.

- Committee 1 (S-1) was adopted [no RC].
- Gilbert 1A was adopted [no RC]. Adds an effective date of 10/1/03.
- Gilbert 1B was adopted [no RC].
- SB 539 was moved to 3<sup>rd</sup> Reading.
- SB 539 passed [RC 245: 38 yes, 0 no].

**SB 464 (Allen)**

**SB 465 (Stamas)**

**SB 466 (BARCIA)**

**SB 467 (PRUSI)**

**SB 468 (Gilbert)**

The bills would: 1) Relieve the Mackinac Bridge Authority of its obligation to repay the State money advanced for Authority bonds. 2) Appropriate to the Authority at least \$5.9 million annually highway funding for capital improvement projects. 3) Allow the Authority's corporate existence to continue after its liabilities had been met and bonds repaid. 4) Require the Authority to hold hearings on reducing the bridge toll to the rate in effect before May 1, 2003. 5) Prohibit the Authority from charging tolls to emergency vehicles.

Opposed: The Governor's office, Michigan Department of Transportation.

SB 464:

- SB 464 passed [RC 240: 33 yes, 5 no].

SB 465:

- SB 465 passed [RC 241: 31 yes, 7 no].

SB 466:

- SB 466 passed [RC 242: 31 yes, 7 no].

SB 467:

- SB 467 passed [RC 243: 38 yes, 0 no].

SB 468:

- SB 468 passed [RC 244: 26 yes, 12 no].

### **SBs 572-73 (LELAND)**

As part of the Governor's Executive budget recommendation, refinancing of school district school bond loan fund debt is expected to free up \$100 million of General Fund that will be directed to the School Aid Fund.

Senate Bill 572 allows for districts to repay their school bond debt by borrowing money from the Michigan Municipal Bond Authority. Prepayment of districts' school bond loan fund debt will allow the state to pay off those older bonds.

- SB 572 was moved to 3<sup>rd</sup> Reading. No amendments.
- SB 572 passed [RC 259: 38 yes, 0 no].

Senate Bill 573 allows the Michigan Municipal Bond Authority to purchase qualified school district bonds. The districts will then use the bond proceeds to pay off their school bond loan fund debt

- SB 573 was moved to 3<sup>rd</sup> Reading. No amendments.
- SB 573 passed [RC 260: 38 yes, 0 no].

## **THIRD READING**

### **SBs 512-3 (Toy)**

Senate Bill 512 would prohibit a person from selling, providing, or agreeing to provide merchandise" or funeral or "cemetery services" pursuant to a "prepaid contract" unless that person was registered with the Department of Consumer and Industry Services (DCIS). Currently, a person may not sell, provide, or agree to provide funeral goods or funeral services pursuant to a prepaid funeral contract unless the person is registered with (DCIS) and has received a certificate of registration.

- Toy 1 (S-1) was adopted [no RC].
- Jelinek 1A (1 amend) was withdrawn.
- Patterson 1B (2 amends) was adopted [no RC]. This strikes section 12a from the bill.
- Jelinek 1C (3 amends) was defeated [no RC]. After a person's (the buyer's) death, the seller would not have to provide a refund. However, there may be unique circumstances where the seller could not be able to provide burial of that person (e.g., death overseas, missing body, etc.)
- SB 512 was moved to 3<sup>rd</sup> Reading.

Senate Bill 513 would require the Cemetery Commissioner to: 1) inspect cemetery facilities and grounds at least every three years, and allow him or her to charge up to \$1,000 for an inspection. 2) Increase from \$100 to \$1,000 the maximum amount the State may charge a cemetery for audits and inspections of books. 3) Expand the circumstances under which the Cemetery Commissioner may take disciplinary action against a registrant or applicant, and allow the Commissioner to impose an administrative fine of up to \$5,000 for each violation of state law.

Support: Michigan Funeral Directors Association, Mt. Elliot Cemetery Assn., Detroit Free Press Editorial (6-4-03)

Opposed: Michigan Cemetery Association.

- Toy 1 (S-1) was adopted [no RC].
- Patterson 1A was adopted [no RC].
- SB 513 was moved to 3<sup>rd</sup> Reading.

### **SB 578 (Brown)**

The bill would establish “American Heroes Week” in the state, and encourage academic institutions to educate children about local heroes and role models. American Heroes Week would be the calendar week in which September 11 fell each year.

- Committee 1 (S-2) was adopted [no RC].
- SB 578 was moved to 3<sup>rd</sup> Reading.

## **RESOLUTIONS**

### **SR 103 (Kuipers)**

A resolution to memorialize the Congress of the United States to enact legislation that would remove the unfair advantages that Federal Prison Industries has in competition for business.

- SR 103 was adopted [no RC].